

INTERNAL AUDIT CHARTER

1. OBJECTIVE:

This internal audit charter forms the foundation for the work of the internal audit. It provides an independent, objective assurance and consulting services designed to add value and improve the organization's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Internal Audit will help management achieve its business targets including cost reduction, maximization of turnover and profit, and improving efficiency and effectiveness of process/operations through:

2. SCOPE OF WORK:

The scope of work of the Internal Audit is to determine whether the organization's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Financial and operational information is accurate, reliable, and timely;
- Employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- Resources are acquired economically, used efficiently, and adequately protected;
- Quality and continuous improvement are fostered in the organization's risk management and control processes;
- Significant legislative or regulatory compliance issues impacting the organization are recognized and addressed properly;
- Effective organizational performance management and accountability is fostered;
- Coordination of activities and communication of information among the various governance groups occur as needed;
- Information technology governance supports strategies, objectives, and the organization's privacy framework; and
- Information technology security practices adequately protect information assets and are in compliance with applicable policies, rules, and regulations.

3. INDEPENDENCE

Internal audit performs its work independent, non-committed, and objectively. It is not bound by any instructions for its audit work, particularly for defining audit objectives and scopes, audit type, timing, and reporting of audit findings.

Internal Audit has access to all documents (including all systems) necessary to perform its work. Internal audit has the right to interview employees and third parties regarding their tasks and to inquire about written confirmations for their statements. All employees are obliged to support internal audit in performing their work, to provide necessary resources immediately, and to grant insight into all operational and business processes of the Company organization.

4. RESPONSIBILITIES:

(a) Internal Controls

- i. Evaluate the adequacy and effectiveness of the internal control systems on a continuous basis through a systematic and disciplined approach.
- ii. The Internal Audit team will, in consultation with management, develop and present an annual internal audit plan to the Audit Committee for approval. The plan shall set out the recommended scope of their work in the period.
- iii. Implement the approved annual audit plan, as approved, including, and as appropriate, any special tasks or projects requested by management and the Audit Committee from time to time. Review information systems, including information technology, information security, and application controls, network controls, hardware, and software controls.
- iv. Present to the Audit Committee significant findings relating to internal control/process weakness along with process owners' action plan.
- v. Keep track and follow up with the process owners for pending action plans and present the status to the Audit Committee.
- vi. Issue periodic reports to the Audit Committee and management summarizing results of audit activities.
- vii. Conduct investigations as directed by the Audit Committee / Management or suo- moto in case of matters of suspected fraud, irregularity, or failure of an internal control system after keeping management informed.
- viii. Establish a system of Controls Self-Assessment (CSA) across the enterprise, which will supplement internal audit efforts, improve coverage, and importantly help Process Owners take ownership of controls.

(b) Compliance with Regulatory requirements and Policies:

- i. Review the effectiveness of the system for monitoring compliance with laws and regulations.
- ii. Review compliance with Accounting Standards
- iii. Review mechanism for adherence to the Code of Conduct.
- iv. Review compliance on policies, plans, procedures, laws, and regulations
- v. Assist the Audit Committee in the review of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient, and credible.

5. ACCOUNTABILITY:

The primary purposes of internal audit reports are to provide management and Audit Committee with an opinion on the adequacy of the internal control system and to inform management and Audit Committee of significant audit findings, conclusions, and recommendations.

The internal audit team shall be accountable to Management and the Audit Committee to:

- i. Provide an assessment periodically on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the scope of work.

- ii. Report critical and important issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning such issues.
- iii. Provide information on fraud findings, reporting as per AML guidelines.
- iv. Provide information periodically on the status and results of the annual audit plan and the sufficiency of department resources.

6. COOPERATION WITH THIRD PARTIES

The internal audit ensures a regular exchange of information with external third parties, like, for example, the statutory auditor of the Company, as well as with internal areas and functions, like for example finance, compliance, legal, etc.